

HDFC securities Retail Research Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	73.3400	73.3463	-0.0063	-0.01%
DXY Index*	90.2920	90.0630	0.2290	0.25%
EURUSD*	1.2136	1.2171	-0.0035	-0.29%
GBPUSD*	1.4121	1.4150	-0.0029	-0.20%
USDJPY*	108.83	108.64	0.19	0.17%
USDINR 1M NDF*	73.80	73.76	0.0400	0.05%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	14850.8	14942.4	-91.6	-0.61%
Sensex	49161.8	49502.4	-340.6	-0.69%
Hang-Seng	28018.6	28013.8	4.8	0.02%
Nikkei	28401.7	28608.6	-206.9	-0.72%
Shanghai	3439.6	3441.8	-2.3	-0.07%
S&P Index	4152.1	4188.4	-36.3	-0.87%
Dow Jones	34269.2	34742.8	-473.7	-1.36%
Nasdaq	13389.4	13401.9	-12.4	-0.09%
FTSE	6948.0	7123.7	-175.7	-2.47%
CAC	6267.4	6386.0	-118.6	-1.86%
DAX	15119.8	15400.4	-280.7	-1.82%

* Prev. Close 5pm IST

Dollar rebounds ahead of inflation data

- » Rupee likely to open slightly lower following overnight risk aversion and rebound in dollar index. On Wednesday, spot USDINR closed with a paise loss to 73.34 as virus cases declines. The exporters were seller in the market following higher forward premiums. The rising forward premia makes the carry trade attractive and this would lead to continuation of strong inflows which again leads to further currency appreciation. In turn, RBI will manage the imported inflation after recent surge in metal and oil prices.
- » Spot USDINR is expected to consolidate in small range of 73.20 to 73.50 ahead of key events ahead of Thursday's holiday.
- » The focus will remain on today's output and inflation data scheduled to be released at 5:30IST. Forecast is suggesting sharp surge in industrial activities in March while inflation figures for April may cool down following slower demand amid lockdown.
- » Asian stocks are set for a weak open after a selloff in U.S. equities, amid ongoing concerns that faster inflation as commodities advance could pose a test for the recovery from the pandemic. The S&P 500 dropped for a second day following a record high Friday. Treasury yields rose and the dollar traded near the lowest levels of this year.
- » The dollar's bear run since the beginning of April is running out of steam with risks skewed towards it grinding higher in the near-term. It is finding support from the reluctance of U.S. yields to push lower despite last week's disappointing employment data, which has failed to assuage investors inflation fears with the U.S. 10-year breakeven rate pushing higher. Dollar traders will be watching what yields do after Wednesday's release of U.S. inflation which is forecast to jump to 3.6% y/y in April from 2.6% prior.

USDINR May Daily Chart



Technical Observations:

- USDINR May futures consolidated in small range after doji formation.
- It has been stuck between 50 and 100 days simple moving averages.
- Momentum oscillator, relative strength index of 14 days period is placed at 39 level with downward momentum.
- MACD is pierced below zero line and heading lower indicating weaker trend.
- Short term short covering bounce can be seen above 73.70 level while trend remains down and breaking of 73.45 will open for 73 odd level.

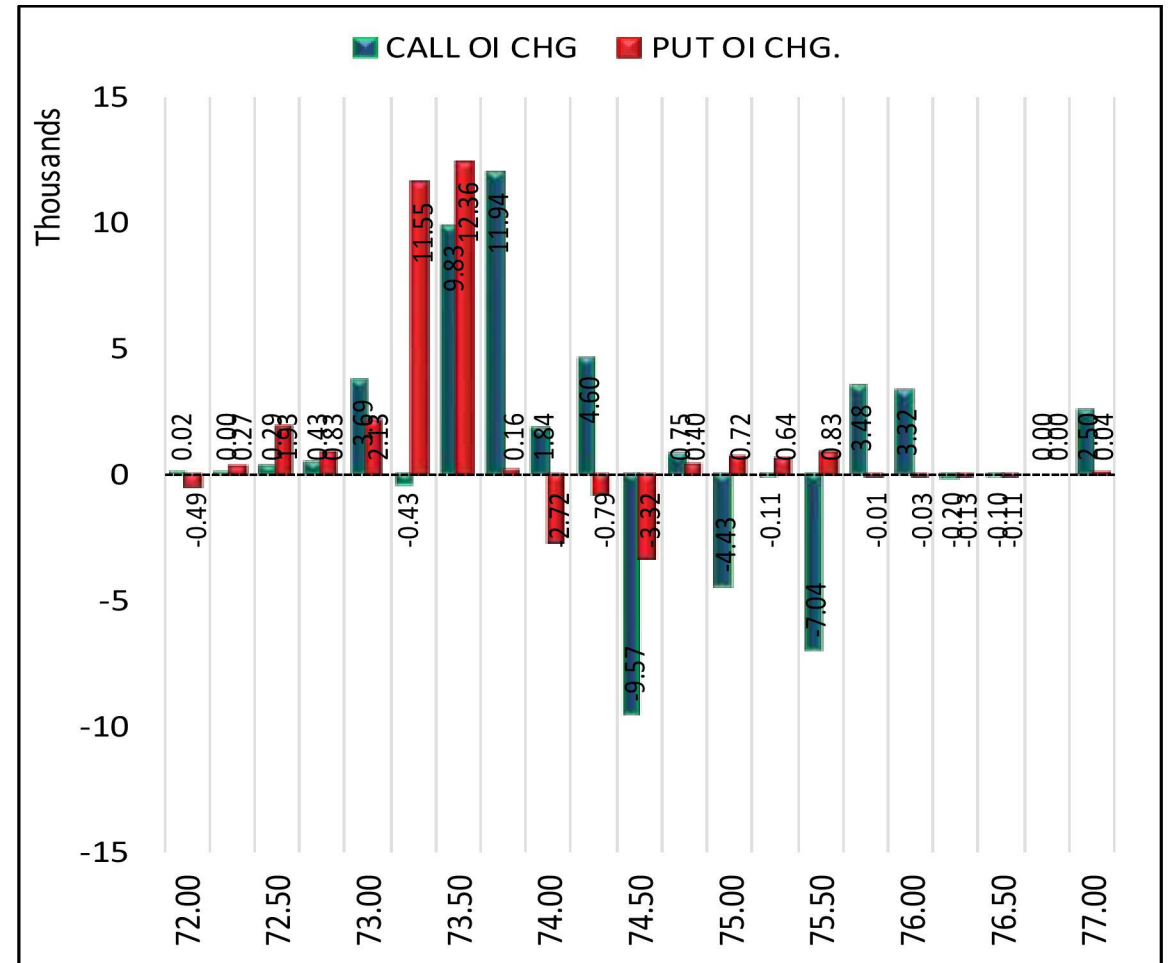
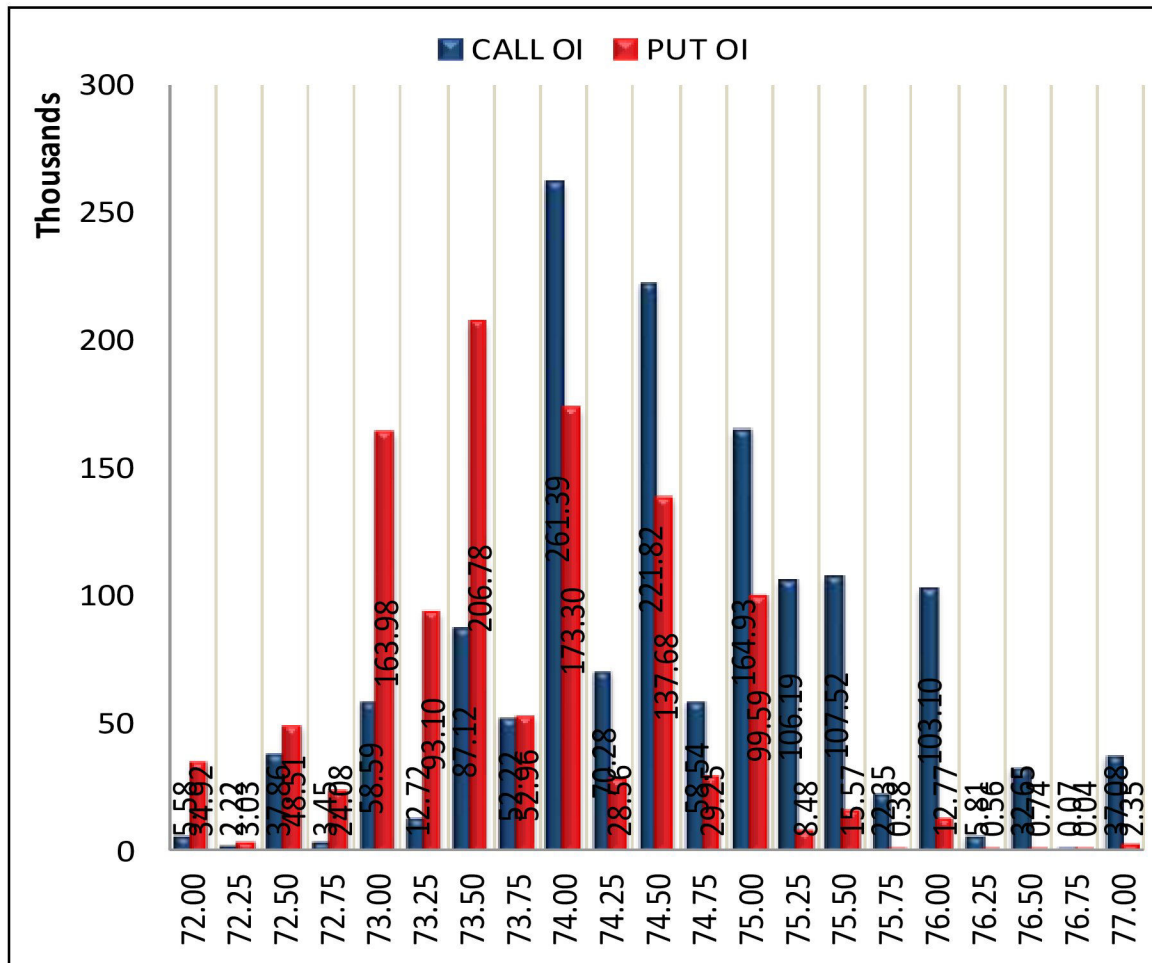
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future May21	73.6025	73.7400	73.4750	73.5375	-0.01	2537613	39424	1621425	-284963
NSE EURINR Future May21	89.4900	89.6100	89.2450	89.4900	-0.01	106428	-9495	139046	756
NSE GBPINR Future May21	103.9900	104.1475	103.7200	103.9400	0.22	154279	1763	286208	-40426
NSE JPYINR Future May21	67.7075	67.7475	67.4925	67.6800	0.09	18347	193	30740	-7005
NSE EURUSD Fut May21	1.2152	1.2179	1.2130	1.2170	0.02	2535	127	768	-218
NSE GBPUSD Fut May21	1.4117	1.4211	1.4100	1.4142	0.35	6451	277	1498	-4180
NSE USDJPY Fut May21	108.86	108.86	108.61	108.64	-0.10	96	9	24	-37

Technical Levels

Currency Pairs	LAST	PIVOT	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA
NSE INRUSD Future May21	73.54	73.58	72.95	73.32	73.43	73.69	73.85	73.96	73.78	74.66
NSE EURINR Future May21	89.49	89.45	88.52	89.08	89.29	89.65	89.81	90.02	89.26	89.94
NSE GBPINR Future May21	103.94	103.94	102.87	103.51	103.72	104.15	104.36	104.58	103.25	103.72
NSE JPYINR Future May21	67.68	67.64	66.98	67.39	67.53	67.79	67.90	68.04	67.71	68.64
NSE EURUSD Fut May21	1.2170	1.2160	1.2032	1.2111	1.2140	1.2189	1.2209	1.2238	1.2098	1.2053
NSE GBPUSD Fut May21	1.4142	1.4151	1.3878	1.4040	1.4091	1.4202	1.4262	1.4313	1.39924	1.38965
NSE USDJPY Fut May21	108.64	108.70	108.11	108.45	108.55	108.80	108.95	109.05	108.97	108.76

USDINR May Month Option Distribution



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